

**IN THE COURT OF COMMON PLEAS
FRANKLIN COUNTY, OHIO**

STATE OF OHIO, *ex rel.*

MICHAEL DEWINE

ATTORNEY GENERAL OF OHIO

30 E. Broad St., 14th Floor

Columbus, Ohio 43215

Plaintiff,

V

HYUNDAI MOTOR COMPANY,

12 Heolleung-ro

Seocho-Gu

Seoul 06797

Republic of Korea

HYUNDAI MOTOR AMERICA,

1055 Talbert Avenue

Fountain Valley, CA 92708

KIA MOTORS CORPORATION, INC.,

12 Heolleung-ro

Seocho-Gu

Seoul 06797

Republic of Korea

KIA MOTORS AMERICA, INC.

111 Peters Canyon Road

Irvine, CA 92606-1790

Defendants.

INTRODUCTION

1. The State of Ohio (the “State”), by and through its Attorney General, Michael DeWine, brings this action against Defendants Hyundai Motor Company, Hyundai Motor America, Kia Motors Corporation, Inc., and Kia Motors America, Inc. (hereinafter collectively referred to as “Defendants” or “Hyundai”) pursuant to the Ohio Consumer Sales Practices Act (“CSPA”), R.C. 1345.01 et seq., and it’s Substantive Rules, O.A.C. 109:4-3-01 et seq., to

obtain consumer restitution, civil penalties, and appropriate injunctive and equitable relief for Defendants' marketing, advertising, distribution, sale and lease of certain passenger vehicles.

JURISDICTION AND VENUE

2. Plaintiff, State of Ohio, by and through the Attorney General of Ohio, Michael DeWine, having reasonable cause to believe that violations of Ohio's consumer laws have occurred, brings this action in the public interest and on behalf of the State of Ohio under the authority vested in him by R.C. 1345.07.
3. The actions of Defendants, hereinafter described, have occurred in the State of Ohio and Franklin County and other counties and, as set forth below, are in violation of the CSPA, R.C. 1345.01 et seq. and its Substantive Rules, Ohio Admin. Code 109:4-3-01 et seq.
4. Jurisdiction over the subject matter of this action lies with this Court pursuant to R.C. 1345.04.
5. This Court has venue to hear this case pursuant to Ohio Civ. R. 3(B)(3) in that the Defendants conducted activity which gave rise to the claims for relief in Franklin County in the State of Ohio.

PARTIES

6. The State, by and through its Attorney General, Michael DeWine, is charged, inter alia, with the enforcement of the CSPA. The State has brought this action in connection with a multi-state investigation of the Defendants conducted by the Attorneys General of Alabama, Arizona, Arkansas, California, Colorado, Connecticut, District of Columbia, Delaware, Florida, Georgia, Iowa, Illinois, Indiana, Kansas, Kentucky, Maryland, Maine, Massachusetts, Missouri, Nebraska, New Jersey, New Mexico, Nevada, North Carolina,

Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, Tennessee, Texas, Virginia, Washington, Wisconsin (hereinafter collectively referred to as the "Attorneys General").

7. The Defendants are Hyundai Motor Company, Hyundai Motor America, Kia Motors Corporation, Inc., and Kia Motors America, Inc.
8. The Defendant, Hyundai Motor Company, is a multi-national corporation with its principal corporate headquarters in Seoul, South Korea.
9. The Defendant, Hyundai Motor Company, manufactures, offers and sells Hyundai vehicles in the United States through its wholly-owned subsidiary, Hyundai Motor America.
10. The Defendant, Hyundai Motor America, is a California corporation with a principal place of business in Fountain Valley, California.
11. The Defendant, Kia Motors Corporation, Inc., is a multi-national corporation with its principal corporate headquarters in Seoul, South Korea.
12. The Defendant, Kia Motors Corporation, Inc., manufactures, offers and sells Kia vehicles in the United States through its wholly-owned subsidiary, Kia Motors America, Inc.
13. Defendant, Kia Motors America, Inc. is a California corporation with a principal place of business in Irvine, California.

STATEMENT OF FACTS

14. The Defendants have manufactured, assembled, advertised, marketed, promoted, sold, and distributed millions of vehicles in the United States in general, and the State of Ohio in particular. For the model years 2011 through 2013, the Defendants offered and sold certain light duty passenger vehicles identified in Exhibit A, attached hereto (the "Subject Vehicles"). The Subject Vehicles were offered and sold during a period of very high

gasoline prices in the United States, and the Defendants' marketing efforts touted, indeed trumpeted, the Subject Vehicles allegedly superior fuel economy.

15. Before they could be offered for sale in the United States, however, the Subject Vehicles had to be certified by the United States Environmental Protection Agency ("EPA") and the California Air Resources Board ("CARB") as being in compliance with applicable emissions limits set forth in state and federal law.
16. The Defendants, like all other auto manufacturers, conducted their own testing of the Subject Vehicles and used the resulting data to support their applications for certificates of conformity.
17. In filing their applications, the Defendants expressly and impliedly represented that their testing complied in all material respects with the procedures mandated by EPA and CARB.
18. In truth and in fact, however, the Defendants deviated from the mandated testing protocols in numerous respects, thereby producing data that underestimated the road load forces for the Subject Vehicles and overstated the fuel efficiency estimates for the Subject Vehicles.
19. The Defendants thereafter incorporated the inflated and inaccurate data into the estimated mileage ratings displayed on hundreds of thousands of Monroney (or window) stickers affixed to Subject Vehicles in dealerships across the nation.
20. The Defendants further sought to capitalize on the erroneous mileage estimates by placing them front and center in a variety of advertisements and other promotional campaigns, including, but not limited to:
 - a. Representing, without limitation or qualification, that the Hyundai Elantra could travel roundtrip between Los Angeles and Las Vegas "WITHOUT STOPPING FOR GAS". (Emphasis in the original). See Exhibit B hereto;

- b. Representing, without limitation or qualification, that the 2011 Hyundai Elantra could travel from Buffalo to Niagara Falls and back, a distance of 40 miles, on a single gallon of fuel. See Exhibit C hereto;
 - c. Representing, without limitation or qualification, that five different Hyundai models were rated at 40 mpg. See Exhibit D hereto; and
 - d. Utilizing the estimated mileage ratings for the Kia Sorrento EX in advertisements for the Kia Sorrento SX, a different model with a lower fuel economy rating.
21. On November 12, 2012, the Defendants announced that they were adjusting and restating the fuel economy ratings for all of the Subject Vehicles. The Defendants took this action after an investigation by EPA and CARB uncovered the Defendants' deviations from the mandated testing protocols, which deviations resulted in the mileage overstatements.
22. By engaging in the aforesaid acts, practices, representations and omissions, the Defendants made deceptive or misleading statements to government agencies and to consumers regarding the features, performance and characteristics of the Subject Vehicles, including but not limited to:
- a. Misrepresenting, falsely certifying or falsely warranting the Subject Vehicles' compliance with applicable certification or other regulatory requirements;
 - b. Failing to state material facts in connection with their sale and marketing of the Subject Vehicles, the omission of which deceived or tended to deceive consumers; and
 - c. Misrepresenting or deceptively advertising, promoting and warranting the Subject Vehicles' fuel economy and performance.

23. The Defendants' misrepresentations to regulators enabled them to secure the requisite legal authorizations to sell the Subject Vehicles in the United States, and more particularly in the State of Ohio.
24. The Defendants' acts and practices, as described herein, likely misled consumers acting reasonably under the circumstances.
25. The Defendants' acts or practices, as described here, were material to consumers' decisions to purchase the Subject Vehicles during a time of high gasoline prices.
26. The Defendants' acts or practices, as described herein, caused substantial injury to consumers in that consumers purchased Subject Vehicles that were improperly certified for sale, and which were offered for sale using inaccurate and deceptive mileage ratings.

CAUSES OF ACTION

COUNT I: UNFAIR AND DECEPTIVE ACTS AND PRACTICES

27. Plaintiff incorporates by reference, as if completely rewritten herein, the allegations set forth in Paragraphs One through Twenty-Six (1-26) of this Complaint.
28. Defendants committed unfair and deceptive acts or practices in connection with consumer transactions, in violation of the CSPA, R.C. 1345.01(A) and R.C. 1345.02(B)(1), by representing that the subject of a consumer transaction has sponsorship, approval, performance characteristics, accessories, uses, or benefits that it does not have.
29. Defendants committed unfair and deceptive acts or practices in connection with consumer transactions, in violation of the CSPA, R.C. 1345.01(A) and R.C. 1345.02(B)(2), by representing that the subject of a consumer transaction is of a particular standard, quality, grade, style, prescription, or model, if it is not.

30. Such acts and practices have been previously determined by Ohio courts to violate the CSPA, R.C. 1345.01 et seq. Defendants committed said violations after such decisions were available for public inspection pursuant to R.C. 1345.05(A)(3).

**COUNT 2:
NONCOMPLIANCE WITH MOTOR VEHICLE ADVERTISING RULE**

31. Plaintiff incorporates by reference, as if completely rewritten herein, the allegations set forth in Paragraphs One through Twenty-Six (1-26) of this Complaint.
32. Defendants committed unfair and deceptive acts or practices in connection with consumer transactions, in violation of the CSPA, R.C. 1345.01(A), and O.A.C. 109:4-3-16(B)(3) by using a statement, layout, or illustration in any advertisement or sales presentation which could create in the mind of a reasonable consumer a false impression as to any material aspect of said advertised or offered vehicle.

WHEREFORE, Plaintiff respectfully requests that this Court grant the following relief:

- A. ISSUE A DECLARATORY JUDGMENT that each act or practice complained of herein violates the CSPA, R.C. 1345.01 et seq., and its Substantive Rules, O.A.C. 109:4-3-01 et seq. in the manner set forth in the Complaint.
- B. ISSUE PERMANENT INJUNCTIVE RELIEF, pursuant to R.C. 1345.07, enjoining Defendants, doing business under these names, or any other name(s), their agents, partners, representatives, salespersons, employees, successors and assigns and all persons acting in concert and participation with them, directly or indirectly, through any corporate device, partnership or association, in connection with any consumer transaction, from engaging in the acts or practices of which Plaintiff complains and from further violating the CSPA, R.C. 1345.01 et seq., and its Substantive Rules, O.A.C. 109:4-3-01 et seq., including, but not limited to, violating the specific statutes and rules alleged to have been violated herein.

- C. ASSESS, FINE and IMPOSE upon Defendants a civil penalty of Twenty-Five Thousand Dollars (\$25,000.00) for each separate and appropriate violation described herein pursuant to R.C. 1345.07(D).
- D. ORDER Defendants liable, pursuant to R.C. 1345.07(B), for reimbursement to all consumers found to have been damaged by Defendants' unfair and deceptive acts and practices.
- E. As a means of ensuring compliance with this Court's Order and with the consumer protection laws of Ohio, ORDER Defendants, their successors or assigns, under these or any other names, to maintain in their possession and control for a period of five years all business records relating to Defendants' solicitation or effectuation of business in Ohio and to permit the Ohio Attorney General or his representative, upon reasonable twenty-four hour notice, to inspect and/or copy any and all of said records, however stored, and further ORDER that copies of such records be provided at Defendants' expense to the Ohio Attorney General upon request of the Ohio Attorney General or his representatives.
- F. GRANT Plaintiff its costs in bringing this action.
- G. ORDER Defendants to pay all court costs associated with this matter.
- H. GRANT such other relief as the court deems to be just, equitable and appropriate.

Respectfully submitted,

MICHAEL DEWINE
Ohio Attorney General

/s/ Teresa A. Heffernan

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EXHIBIT A

HYUNDAI VEHICLES**2013 Model Year**

2013 Accent (automatic transmission; 1.6 liter engine)
2013 Accent (manual transmission; 1.6 liter engine)
2013 Azera (automatic transmission; 3.3 liter engine)
2013 Elantra (automatic transmission; 1.8 liter engine)
2013 Elantra (manual transmission; 1.8 liter engine)
2013 Elantra Coupe (automatic transmission; 1.8 liter engine)
2013 Elantra Coupe (manual transmission; 1.8 liter engine)
2013 Elantra GT (automatic transmission; 1.8 liter engine)
2013 Elantra GT (manual transmission; 1.8 liter engine)
2013 Genesis (automatic transmission; 3.8 liter engine)
2013 Genesis R-Spec (automatic transmission; 5.0 liter engine)
2013 Santa Fe Sport 2WD Turbo (automatic transmission; 2.0 liter engine)
2013 Santa Fe Sport 2WD (automatic transmission; 2.4 liter engine)
2013 Santa Fe Sport 4WD Turbo (automatic transmission; 2.0 liter engine)
2013 Santa Fe Sport 4WD (automatic transmission; 2.4 liter engine)
2013 Tucson 2WD (automatic transmission; 2.0 liter engine)
2013 Tucson 2WD (automatic transmission; 2.4 liter engine)
2013 Tucson 2WD (manual transmission; 2.0 liter engine)
2013 Tucson 4WD (automatic transmission; 2.4 liter engine)
2013 Veloster Turbo (automatic transmission; 1.6 liter engine)
2013 Veloster (automatic transmission; 1.6 liter engine)
2013 Veloster (manual transmission; 1.6 liter engine)

KIA VEHICLES**2013 Model Year**

2013 Rio 2WD (automatic transmission; 1.6 liter engine)
2013 Rio 2WD (manual transmission; 1.6 liter engine)
2013 Rio 2WD (automatic (Eco) transmission; 1.6 liter engine)
2013 Sorento 2WD (automatic transmission; 2.4 liter engine (GDI))
2013 Sorento 4WD (automatic transmission; 2.4 liter engine (GDI))
2013 Soul 2WD (automatic transmission; 1.6 liter engine)
2013 Soul 2WD (manual transmission; 1.6 liter engine)
2013 Soul 2WD (automatic transmission; 2.0 liter engine)
2013 Soul 2WD (manual transmission; 2.0 liter engine)
2013 Soul ECO 2WD (automatic transmission; 1.6 liter engine)
2013 Soul ECO 2WD (automatic transmission; 2.0 liter engine)
2013 Sportage 2WD (automatic transmission; 2.0 liter engine)
2013 Sportage 2WD (automatic transmission; 2.4 liter engine)
2013 Sportage 2WD (manual transmission; 2.4 liter engine)
2013 Sportage 4WD (automatic transmission; 2.0 liter engine)
2013 Sportage 4WD (automatic transmission; 2.4 liter engine)
2013 Sportage 4WD (manual transmission; 2.4 liter engine)

2012 Model Year

2012 Rio 2WD (automatic transmission; 1.6 liter engine)
2012 Rio 2WD (manual transmission; 1.6 liter engine)
2012 Sorento 2WD (automatic transmission; 2.4 liter engine (GDI))
2012 Sorento 4WD (automatic transmission; 2.4 liter engine (GDI))

2013 Veloster Turbo
(manual transmission; 1.6 liter engine)

2012 Model Year

2012 Accent (automatic transmission; 1.6 liter engine)
2012 Accent (manual transmission; 1.6 liter engine)
2012 Azera (automatic transmission; 3.3 liter engine)
2012 Elantra (automatic transmission; 1.8 liter engine)
2012 Elantra (manual transmission; 1.8 liter engine)
2012 Genesis (automatic transmission; 3.8 liter engine)
2012 Genesis (automatic transmission; 4.6 liter engine)
2012 Genesis (automatic transmission; 5.0 liter engine)
2012 Genesis R-Spec (automatic transmission; 5.0 liter engine)
2012 Sonata Hybrid Electric Vehicle (automatic transmission; 2.4 liter engine)
2012 Tucson 2WD (automatic transmission; 2.0 liter engine)
2012 Tucson 2WD (automatic transmission; 2.4 liter engine)
2012 Tucson 2WD (manual transmission; 2.0 liter engine)
2012 Tucson 4WD (automatic transmission; 2.4 liter engine)
2012 Veloster (automatic transmission; 1.6 liter engine)
2012 Veloster (manual transmission; 1.6 liter engine)

2011 Model Year

2011 Elantra (automatic transmission; 1.8 liter engine)
2011 Elantra (manual transmission; 1.8 liter engine)
2011 Sonata Hybrid Electric Vehicle (automatic transmission; 2.4 liter engine)

2012 Soul 2WD (automatic transmission; 1.6 liter engine)
2012 Soul 2WD (manual transmission; 1.6 liter engine)
2012 Soul 2WD (automatic transmission; 2.0 liter engine)
2012 Soul 2WD (manual transmission; 2.0 liter engine)
2012 Soul ECO 2WD (automatic transmission; 1.6 liter engine)
2012 Soul ECO 2WD (automatic transmission; 2.0 liter engine)
2012 Sportage 2WD (automatic transmission; 2.0 liter engine)
2012 Sportage 2WD (automatic transmission; 2.4 liter engine)
2012 Sportage 2WD (manual transmission; 2.4 liter engine)
2012 Sportage 4WD (automatic transmission; 2.0 liter engine)
2012 Sportage 4WD (automatic transmission; 2.4 liter engine)
2012 Sportage 4WD (manual transmission; 2.4 liter engine)
2012 Optima HYBRID ELECTRIC VEHICLE 2WD (automatic transmission; 2.4 liter engine)

2011 Model Year

[illegible]

7007.9135

DO THE HYUNDAI

STEP 1 Grab Your Gas Receipt and See the Savings
STEP 2 Raise Your Hands in the Air
STEP 3 Cross Them to Complete the "H"
STEP 4 Celebrate. Smile. Repeat.

ELANTRA

40 MPG HWY

America's Best Warranty
10-Year/100,000-Mile Powertrain Limited Warranty


HYUNDAI Assurance

Drive from Las Vegas to L.A. and Back WITHOUT STOPPING FOR GAS

2012 EPA fuel economy guide: 2012 Elantra SE FWD City 26/hwy 38 mpg. *Elantra SE FWD is a 2012 model. Actual mileage may vary. **EPA estimate. See dealer for details. Hyundai is a registered trademark of Hyundai Motor Company. All trademarks ©2012 Hyundai Motor America.


40 NEVER LOOKED SO GOOD 5 MODELS. 40MPG.

7006.8880




ACCENT 5-DOOR

- 5 Door versatility
- Best in Class Cargo Space
- Up to 456 Miles on a single tank of gas




ACCENT 4-DOOR

- Hands Free Bluetooth
- Best in Class Horsepower
- Up to 456 Miles on a single tank of gas




ELANTRA

- 1.8L 4 Cylinder CVT Engine
- More interior space than Civic or Corolla
- Up to 512 Miles on a single tank of gas



SONATA HYBRID

- 5 Star Safety Rated
- Solar Controlled glass
- Up to 688 miles on a single tank of gas



VELOSTER

- Standard 7" Touch Screen
- Blue Link®
- Up to 528 Miles on a single tank of gas

America's Best Warranty
15-Year/100,000-Mile Powertrain Limited Warranty
Hyundai Assurance

HYUNDAI

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